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SUBJECT: KAZAKHSTAN: MINISTRY OF ENERGY EXPLAINS DELAYS ON
BN-350 COMMUNIQUE, SPENT FUEL RETURN IMPLEMENTING AGREEMENT

REF: ASTANA 1730

¶1. (SBU) Summary: In a meeting with Poloff on November 21, Bakhit Shaikhislamova, Chief of the Ministry of Energy and Mineral Resources External Relations Office, stated that several government agencies oppose signing the Communiqué on BN-350 Spent Fuel Permanent Disposition. As a result, Shaikhislamova expressed doubt that the Government of Kazakhstan will ever approve the communiqué. She also told Poloff that Kazakhstan has prepared its own proposed Implementing Arrangement (IA) on the removal of Russian-origin HEU spent fuel in response to the Department of Energy proposal from 2004. The draft IA has received interagency approval and now awaits the Ministry of Justice's blessing. End Summary.

¶2. (SBU) On November 21, Poloff met with Bakhit Shaikhislamova, Chief of the Ministry of Energy and Mineral Resources (MEMR) External Relations Office, to discuss the status of the Communiqué on BN-350 Spent Fuel Permanent Disposition and of the Department of Energy's proposed implementing arrangement for the project to transport Russian origin HEU spent fuel from the Institute of Nuclear Physics (INP) to Russia. The Ambassador had raised the same issues with Timur Zhantikin, Chairman of Kazakhstan's Atomic Energy Committee, on November 9. Zhantikin had suggested the Embassy contact Shaikhislamova. Shaikhislamova told Poloff that several government agencies have refused to endorse the BN-350 Communiqué. The Ministry of Justice believes the Communiqué on Permanent Disposition is in conflict with the Implementing Agreement on BN-350 Spent Fuel, because the time frame for the IA is only fifty years.

¶3. (SBU) Kazatomprom and the Committee for National Security (KNB) also oppose the communiqué, according to Shaikhislamova. Both feel that all obligations under the current agreement should be fulfilled before permanent disposition is discussed. Shaikhislamova told Poloff that because of the lack of interagency consensus the Security Council is now reviewing the Communiqué. When asked by Poloff if she foresees Kazakhstan ever signing the Communiqué, Shaikhislamova admitted that she is skeptical. "Even in January," she said, "we saw problems with the Communiqué."

¶4. (SBU) Turning to the Implementing Arrangement for activities at the INP, Shaikhislamova informed Poloff that Kazakhstan had reviewed the Department of Energy's proposed Agreement and found "the interests of the two countries not equal in the agreement." As a result, MEMR has drafted as a counterproposal a separate Implementing Arrangement. The draft has already received interagency approval and now awaits only the Ministry of Justice's review. MEMR is pushing for a response from the MOJ, which received the draft

several months ago. Shaikhislamova believes that the MOJ will approve MEMR's proposed IA.

15. (SBU) Comment: Shaikhislamova's negative assessment of Kazakhstan's stance on the Communique on BN-350 Spent Fuel Permanent Disposition is a surprise after months of reassurances from MEMR that the Communique would ultimately be approved. Post will pursue the issue further to gauge whether opposition to the Communique is as stiff as Shaikhislamova indicated. End Comment.
Milas